

Notice of Allowability

Application No.

10/689,135

Examiner

THOMAS M. HAMMOND III

Applicant(s)

WOODRUFF ET AL.

Art Unit

3695

- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to the Applicant's response filed 23 September 2009 and the Examiner's Amendment attached.
2. ☒ The allowed claim(s) is/are 1-3,5-10,15,16,18,23 and 47-49.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some* c) ☐ None of the:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: ____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.

THIS THREE-MONTH PERIOD IS NOT EXTENDABLE

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
- (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
- 1) ☐ hereto or 2) ☐ to Paper No./Mail Date ____.
- (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date ____.
- Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. ☐ Notice of References Cited (PTO-892)
2. ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. ☐ Information Disclosure Statements (PTO/SB/08), Paper No./Mail Date ____
4. ☐ Examiner's Comment Regarding Requirement for Deposit of Biological Material
5. ☐ Notice of Informal Patent Application
6. ☒ Interview Summary (PTO-413), Paper No./Mail Date ____
7. ☒ Examiner's Amendment/Comment
8. ☒ Examiner's Statement of Reasons for Allowance
9. ☐ Other ____.

DETAILED ACTION

Status of Claims

1. This action is in reply to the Applicant's response filed 23 September 2009 and an interview with the Applicant's Representative on 19 February 2010.
2. Claims 4, 11-14, 17, 19-22, and 24-46 are cancelled.
3. Claims 1 and 47-49 are amended by the Examiner's Amendment presented below.
4. Claims 1-3, 5-10, 15, 16, 18, 23, and 47-49 are currently pending and have deemed allowable for the reasons set forth below.

Examiner Note

5. Examiner Perry is no longer prosecuting the instant application. All further correspondence will be conducted by Examiner Thomas Hammond.

Examiner's Amendment

6. An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.
7. Authorization for this examiner's amendment was given in a telephone interview with Mike Duckworth on 19 February 2010.

Listing of Claims:

1. (Currently Amended) A computer-implemented method for increasing an amount of shares of common stock that are issued by a first entity available to an investor for borrowing, ~~the first security issued by a first entity,~~ the method comprising:

underwriting, by a second entity, an issuance of a convertible security issued by the first entity;

purchasing, by a second entity from the first entity, through a computer system, a first quantity of the common stock of the first entity, wherein funds are electronically transferred from an account for the second entity to an account of the first entity for the purchase of the first quantity of the common stock by the computer system, wherein the computer system comprises at least one computer that executes a series of instructions stored on a computer readable medium that comprises at least one of a random access memory ("RAM") memory and a read only memory ("ROM") memory;

entering into, by the second entity through the computer system, a forward purchase contract with the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second quantity of the common stock of the first entity to the first entity on a settlement date, wherein the settlement date coincides with a termination date of the convertible security issued by the first entity, wherein the settlement date occurs after a time when the second entity purchases the first quantity of the common stock of the first entity, wherein the first quantity is less than or equal to the second quantity, wherein the convertible security is different from the first entity's common stock, wherein the termination date of the convertible security is at least one of a maturity date of the convertible security, a call date of the convertible security, and a put date of the convertible

security, wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and

lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who ~~purchases~~ ~~has purchased~~ the convertible security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein lending the third quantity of the common stock to the investor occurs after or substantially simultaneously with (i) the issuance of the convertible security by the first entity, the purchase of the first quantity of the common stock by the second entity, and (iii) entering into the forward purchase contract between the second entity and the first entity.

wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract for (i) any amounts received by the second entity from lending the ~~third~~ ~~second~~ quantity of the common stock to the investor and (ii) any dividends paid on the common stock.

2. (Previously Presented) The method of claim 1, wherein purchasing the first quantity of the common stock includes purchasing the first quantity of the common stock from the first entity.

3. (Previously Presented) The method of claim 1, wherein purchasing the first quantity of the common stock includes purchasing the first quantity of the common stock from an intermediary.

4. (Canceled)

5. (Previously Presented) The method of claim 1, wherein purchasing the first quantity of the common stock includes purchasing the first quantity of the common stock for a first price, and wherein entering into the forward

purchase contract includes obligating the second entity to subsequently deliver the second quantity of the common stock to the first entity for the first price.

6. (Previously Presented) The method of claim 1, wherein the forward purchase contract obligates the second entity to subsequently deliver a quantity of the common stock equal to the first quantity to the first entity.

7. (Previously Presented) The method of claim 1, wherein entering into the forward purchase contract includes entering into the forward purchase contract when the first quantity of the common stock is purchased.

8. (Original) The method of claim 1, wherein entering into the forward purchase contract includes the second entity receiving a first payment before a settlement date of the forward purchase contract.

9. (Original) The method of claim 8, wherein the second entity receiving the first payment includes the second entity receiving the first payment when the forward purchase contract is entered into.

10. (Previously Presented) The method of claim 9, wherein the second entity receiving the first payment includes the second entity receiving a payment equal to a sale price of the second quantity of the common stock.

11-14. (Canceled)

15. (Previously Presented) The method of claim 1, wherein the forward purchase contract permits the second entity to pay the first entity until the settlement date of the forward purchase contract with stock.

16. (Previously Presented) The method of claim 1, wherein the forward purchase contract obligates the second entity to fulfill the forward purchase contract by a settlement date that is one of a maturity date of the convertible security issued by the first entity, a put date of the convertible security and a call date of the convertible security.

17. (Canceled)

18. (Previously Presented) The method of claim 1, wherein lending the third quantity of the common stock to the investor includes lending at least one of the first and second quantities of the common stock to the investor.

19-22. (Canceled)

23. (Previously Presented) The method of claim 1, wherein the convertible security comprises a convertible security selected from the group comprising a convertible bond security and a convertible preferred stock security.

24-46. (Canceled)

47. (Currently Amended) A computer-implemented method for increasing an amount of shares of common stock that are issued by a first entity available to an investor for borrowing, the method comprising:

_____ underwriting, by a second entity, an issuance of a convertible security issued by the first entity;
_____ purchasing, by a second entity from the first entity, through a computer system, a first quantity of the common stock of the first entity, wherein funds are electronically transferred from an account for the second entity to an account of the first entity for the purchase of the first quantity of the common stock by the computer system, wherein the computer system comprises at least one computer that executes a series of instructions stored on a computer readable medium that comprises at least one of a random access memory ("RAM") and a read only memory ("ROM");

_____ entering into, by the second entity through the computer system, a forward purchase contract with the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second quantity of the common stock of the first entity to the first entity on a settlement date, wherein the settlement date coincides with a termination date of the convertible security issued by the first entity, wherein the settlement date occurs after a time when the second entity purchases the first quantity of the common stock of the first entity, wherein the first quantity is less than or equal to the second quantity, wherein the convertible security is different

from the first entity's common stock, wherein the termination date of the convertible security is a maturity date of the convertible security, wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and

lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who purchases the convertible security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein lending the third quantity of the common stock to the investor occurs after or substantially simultaneously with (i) the issuance of the convertible security by the first entity, the purchase of the first quantity of the common stock by the second entity, and (iii) entering into the forward purchase contract between the second entity and the first entity,

wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract for (i) any amounts received by the second entity from lending the third quantity of the common stock to the investor and (ii) any dividends paid on the common stock. A computer-implemented method for increasing an amount of a first security of shares of common stock that are issued by a first entity available to an investor for borrowing without diluting reported earnings per share of the common stock of the first entity, the method comprising: by a second entity, underwriting, by a second entity, an issuance of a convertible security-second security issued by the first entity; purchasing, by the second entity through a computer system, a first quantity of the common stock first security issued by a first entity, wherein funds are electronically transferred from an account of the second entity to an account of the first entity for the purchase of the first quantity of the common stock by [[a]] the computer system for the purchase, wherein the computer system comprises at least one computer that comprises a RAM memory and a ROM memory; entering into, by the second entity, a forward purchase contract with the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second quantity of the security common stock of the first entity to the first entity by a settlement date, wherein the settlement date is a maturity date of the convertible security-second security issued by the first entity, wherein the first quantity is less

than or equal to the second quantity, wherein the convertible security is different from the first entity's common stock, and wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and lending, by the second entity through the computer system, a third quantity of the security common stock issued by the first entity to the investor who has purchased the convertible security second security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract (i) any amounts received by the second entity from lending the second quantity of the common stock to the investor and (ii) any dividends paid on the common stock.

48. (Currently Amended) A computer-implemented method for increasing an amount of shares of common stock that are issued by a first entity available to an investor for borrowing, the method comprising:

 underwriting, by a second entity, an issuance of a convertible security issued by the first entity;
 purchasing, by a second entity from the first entity, through a computer system, a first quantity of
the common stock of the first entity, wherein funds are electronically transferred from an account for the second
entity to an account of the first entity for the purchase of the first quantity of the common stock by the computer
system, wherein the computer system comprises at least one computer that executes a series of instructions stored on
a computer readable medium that comprises at least one of a random access memory ("RAM") and a read only
memory ("ROM");

 entering into, by the second entity through the computer system, a forward purchase contract with
the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second
quantity of the common stock of the first entity to the first entity on a settlement date, wherein the settlement date
coincides with a termination date of the convertible security issued by the first entity, wherein the settlement date
occurs after a time when the second entity purchases the first quantity of the common stock of the first entity,
wherein the first quantity is less than or equal to the second quantity, wherein the convertible security is different

from the first entity's common stock, wherein the termination date of the convertible security is a put date of the convertible security, wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and

_____ lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who purchases the convertible security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein lending the third quantity of the common stock to the investor occurs after or substantially simultaneously with (i) the issuance of the convertible security by the first entity, the purchase of the first quantity of the common stock by the second entity, and (iii) entering into the forward purchase contract between the second entity and the first entity,

_____ wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract for (i) any amounts received by the second entity from lending the third quantity of the common stock to the investor and (ii) any dividends paid on the common stock. A computer-implemented method for increasing an amount of a first security of shares of common stock that are issued by a first entity available to an investor for — borrowing without diluting reported earnings per share — of the common stock of the first entity, the method comprising: by a second entity, underwriting, by a second entity, an issuance of a convertible security seco— security issued by the first entity, purchasing, by the second entity through a computer system, a first quantity of the common stock first security issued by a first entity, wherein funds are electronically transferred from an account for the second — entity to an account of the first entity for the purchase of the first quantity of the common stock by [[a]] the computer system for the purchase, wherein the computer system comprises at least one computer that comprises a RAM memory and a ROM memory; entering into, by the second entity, a forward purchase contract with the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second quantity of the — common stock of the first entity to the first entity by a settlement date, wherein the settlement date is a put date of [[a]] the convertible security seco— secur-ity issued by the first entity, wherein the first quantity is less than or equal to the

second quantity, wherein the convertible security is different from the first entity's common stock, and wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who has purchased the convertible security set forth above, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract (i) any amounts received by the second entity from lending the second quantity of the common stock to the investor and (ii) any dividends paid on the common stock.

49. (Currently Amended) A computer-implemented method for increasing an amount of shares of common stock that are issued by a first entity available to an investor for borrowing, the method comprising:

 underwriting, by a second entity, an issuance of a convertible security issued by the first entity;
 purchasing, by a second entity from the first entity, through a computer system, a first quantity of
the common stock of the first entity, wherein funds are electronically transferred from an account for the second
entity to an account of the first entity for the purchase of the first quantity of the common stock by the computer
system, wherein the computer system comprises at least one computer that executes a series of instructions stored on
a computer readable medium that comprises at least one of a random access memory ("RAM") and a read only
memory ("ROM");

 entering into, by the second entity through the computer system, a forward purchase contract with
the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second
quantity of the common stock of the first entity to the first entity on a settlement date, wherein the settlement date
coincides with a termination date of the convertible security issued by the first entity, wherein the settlement date
occurs after a time when the second entity purchases the first quantity of the common stock of the first entity,
wherein the first quantity is less than or equal to the second quantity, wherein the convertible security is different

from the first entity's common stock, wherein the termination date of the convertible security is a call date of the convertible security, wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and

_____ lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who purchases the convertible security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein lending the third quantity of the common stock to the investor occurs after or substantially simultaneously with (i) the issuance of the convertible security by the first entity, the purchase of the first quantity of the common stock by the second entity, and (iii) entering into the forward purchase contract between the second entity and the first entity,

_____ wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract for (i) any amounts received by the second entity from lending the third quantity of the common stock to the investor and (ii) any dividends paid on the common stock. A computer-implemented method for increasing an amount of a first security of shares of common stock that are issued by a first entity available to an investor for — borrowing without diluting reported earnings per share — of the common stock of the first entity, the method comprising: by a second entity, underwriting, by a second entity, an issuance of a convertible security—second security issued by the first entity; purchasing, by the second entity through a computer system, a first quantity of the common stock—first security issued by a first entity, wherein funds are electronically transferred from an account for the second pa—entity to an account of the first entity for the purchase of the first quantity of the common stock by [[a]] the computer system for the purchase, wherein the computer system comprises at least one computer that comprises a RAM memory and a ROM memory; entering into, by the second entity, a forward purchase contract with the first entity, wherein the forward purchase contract obligates the second entity to subsequently deliver a second quantity of the —common stock of the first entity to the first entity by a settlement date, wherein the settlement date is a call date of the convertible security—second issued by the first entity, wherein the first quantity is less than or equal to the second

quantity, wherein the convertible security is different from the first entity's common stock, and wherein funds are electronically transferred from the account of the first entity to the account of the second entity pursuant to the forward purchase contract, wherein the reported earnings per share of the common stock of the first entity are not diluted because the second quantity of common stock is accounted for as a repurchase of the second quantity of common stock under the forward purchase contract; and lending, by the second entity through the computer system, a third quantity of the common stock issued by the first entity to the investor who has purchased the convertible security second security, wherein funds are electronically transferred from an account of the investor to the account of the second entity for the lending of the third quantity of the first security to the investor, wherein the forward purchase contract comprises terms that obligate the second entity to pay the first entity until the settlement date of the forward purchase contract (i) any amounts received by the second entity from lending the second quantity of the common stock to the investor and (ii) any dividends paid on the common stock.

Statement of Reasons for Allowance

8. The following is the Examiner's statement of reasons for allowance.

9. The Applicant's claimed invention is directed toward a computer-implemented method for increasing an amount of shares of common stock that are issued by a first entity available to an investor for borrowing. Prior art methods and systems consist of various financial systems for borrowing and repurchasing common stock. For example, Breen et al. (US 2009/0055302) discloses a method for providing a financial instrument by integrating a convertible security with a call spread, thereby having the benefits of low coupons and tax efficiencies. Jones et al. (US 2004/0177016) discloses a method for analyzing the capital structure of a company. NPL's Ikenberry and Fenn et al. disclose various teachings regarding common stock repurchase programs. However, neither the cited references nor the prior art disclose a computer-implemented method for increasing an amount of shares available to borrow by consecutively underwriting a convertible security for a first entity, purchasing a first quantity of common stock from the first entity, entering into a forward contract with the first entity to deliver a second quantity at a termination date, and lending a third quantity to an investor who purchase the convertible security. Accordingly, the claimed invention, in light of the Examiner's Amendments, is deemed allowable.

10. Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thomas M. Hammond III whose telephone number is 571-270-1829. The examiner can normally be reached on Monday - Friday, 7AM - 5PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached on 571-272-6746. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Thomas M Hammond III
Patent Examiner, Art Unit 3695
US Patent & Trademark Office
22 February 2010

/Thu Thao Havan/
Primary Examiner, Art Unit 3695